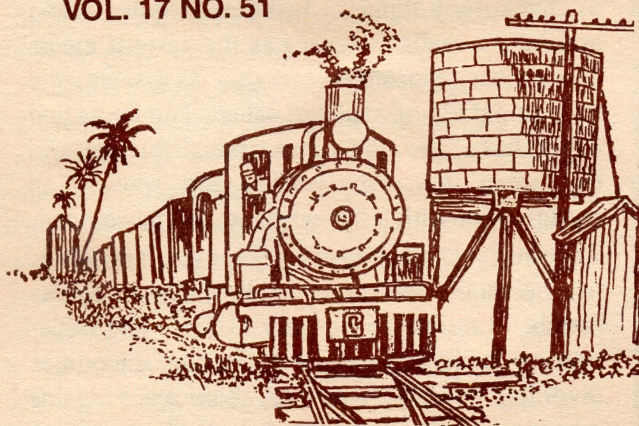


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NEWS FROM THE HAWAII STATE NUMISMATIC ASSOCIATION AND THE HONOLULU COIN CLUB

VOL. 17 NO. 51

NOVEMBER 26, 1997



Hawaiian Railroads

By Kazuma Oyama

Today the only railroads running in the State of Hawaii are (1) the Lahaina, Kaanapali and Pacific Railroad, an excursion train on the island of Maui that runs on former sugar plantation tracks between Lahaina and Pokulei and (2) trains operated by the Hawaiian Railway society located at the end of Renton Road in Ewa, Oahu.

In the past, many of the sugar plantations owned and operated their own railways to haul sugar cane from the fields to the mill. However, the growth and success of the sugar plantations was due to the few commercial railroads that operated on the islands of Hawaii, Maui, Oahu and Kauai, hauling raw sugar from the mills to the port for shipment to the California refinery.

The first railway was built on the island of Maui when Hawaii was still a kingdom. In August 1878, King Kalakaua signed "an act to promote the construction of railways." On July 20, 1879, the Kahului and Wailuku Railroad began passenger service between the two towns.

Later, the railroad was extended to other towns and renamed the Kahului Railroad Company. This railroad has the distinction of having operated under three flags--the Royal Kingdom, the Republic of Hawaii and the United States of America. The workers were issued company tokens in lieu of cash for their labor.

The "Big Island" of Hawaii developed two railways. The Hawaii Consolidated Railway (also known as Hilo Railways) operated from Hilo to Olaa, Pahoa, Kapoho, Kamaili and Glenwood in one direction. Then it was up to the Hamakua coast to Hakalau and Paauilo. Tickets were issued for rides on this railroad. The Hawaiian Railroad Company built the railway from Mahukona to Nuilii in Kohala. This railroad transported King Kalakaua in May 1883, to dedicate the original statue of King Kamehameha at Kapaau. This statue was thought lost when the ship bringing it to Oahu sank near the Falkland Islands. It was later recovered and because the replacement statue was ordered and installed in Honolulu, the "lost" statue was taken to Kohala near King Kamehameha's birthplace.

Kauai had two railways--Kauai Railway Co. (Koloa, Eleele and Port Allen area) and Ahukini Railway and Terminal Co. (Lihue-Ahukini Port, Hanamaulu Bay).

Oahu had two railways--Oahu Railways and Land Co. and the Koolau Railway (Kahuku to Kahana). Of all the Hawaiian railways, the Oahu Railways and Land Co. had the biggest impact on the development and growth of the sugar and pineapple industries in Hawaii. When Benjamin Franklin Dillingham started the

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Hawaiian Railroad

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O.R. & L. Co., it was derisively call the "Dillingham's Folly." It was this railroad that furnished the "road"- an efficient and reliable means of transporting the raw sugar from the mills to the harbor and the pineapples from the fields to the canneries.

Waipahu (Oahu Sugar Co.), which is celebrating its centennial this year, owes its very existence to O.R. & L. Co. Waipahu has a road that starts at the foot of the sugar mill at Waipahu Street, crosses Farrington Highway and continues on for about another half a mile to where the Waipahu train station used to be. This Depot Road was built long before Farrington Highway was built and runs parallel to the original flow of the Waialeale (Kapakahi) stream which was later diverted by a flood control canal. Waipahu is the site from where Oahu Railways built a branch line to Wahiawa, Schofield Barracks and Dole's empire.

Oahu Railways made a major contribution during World War Two hauling troops and military goods along its route from Honolulu to Kahuku and Schofield Barracks. It also hauled ammunition between Pearl Harbor and Lualualei Ammunition depot. Also, Oahu Railways and Oahu Sugar Co. trains hauled ammunition to and from ammunition storage tunnels dug into the Waialeale, Kipapa and Waikakalaua gulches. The tunnels are still there but whether it still stores ammunition is a military classified information. Oahu Railways issued train tickets for their passenger runs. The building that housed the train station and company offices still stands at the corner of North King Street and Iwilei Road across from Aala Park, in Honolulu.

The early tokens issued by the Kahului and Wailuku Railroad are pictured in Donald Medcalf/Ronald Russel's the Hawaii Money Standard Catalog. When Kahului Railroad Company changed from trains to buses, it issued tokens for bus fare. It is listed along with other Hawaii transportation tokens in the same catalog and also in the Atwood-Coffee Catalogue of United States and Canada Transportation Tokens. This is a publication of the American Vecturist Association.

A Numismatic Christmas



By Irving Kam

Whether one realizes it or not, by the time this newsletter is made available, the Christmas occurrence looms immediately on the other side of that turkey dinner. In time, activity in and around the malls increases as the various media divert their respective resources to a seemingly endless parade of mail and sales. The lights and decorations, the noels and carols, the red and the green, even the smiles and scowls, all confirm that with a fair warning, tis the season.

The timing of this years's price cycle in regards to the coin market, including the precious metals, continue to be very good. The buyer seeking a holiday present should encounter favorable overall prices with some real bargains in many of the categories. Bullion related material, as of this writing, have not experienced any significant movement in either direction so they offer another broad ranged possibility. The selection is excellent and there really is something to suit any one's budget or pocketbook.

We asked some dealers for a few educated suggestions and what follows are their responses to which the readership is sure to find very helpful:

Andy Altman (H. Altman Numismatics) recommends quality Hawaiian postcards, tokens, coin jewelry, photos and documents from the monarchy era. In addition, "Cost is secondary to the thoughtfulness and careful selection. Shop carefully, deal critically and spend judiciously."

Dave Gere (Nevada Numismatics, Inc.) considers the newly minted platinum American Eagle series a good gift idea. Available in different sizes for different price restraints. Other options include a silver round/rectangle with a nice design, an H.S.N.A. medal set, or maybe a red seal one dollar silver certificate large note in fine/very fine condition. Dave

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A Numismatic Christmas

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says to keep selections more generalized rather than specialized to appeal to a broader base of people.

Don King (Windward Coins) included silver proof sets and silver American Eagles on his holiday gift list. The current 1997 proof and mint sets or a twenty dollar gold piece for those with a little more to spend, or numismatic books which have a lot to choose from, "are always good items to give."

James Kinoshita (Kaimuki Coin Gallery) prefers the modern commemoratives and proof sets because they are fairly inexpensive with attractive packaging. Some other potential candidates are slabbed generic dollars, Walkers and buffalo nickels, all in the MS-63 area. "Generic MS-65 mercury dimes in a slab is still under twenty dollars."

Sylvia Martin (Ala Moana Stamp & Coin) advises giving year, birth year, or proof sets for Christmas. Also, brand new blue seal silver certificates and red seal two dollar bills. The idea of creating interest through different "little treasures" such as obsolete coins or ancients can only be a positive situation for everyone in the hobby.

Bert Matsuura (McCully Stamp & Coin) feels that birth year sets, proof sets, and silver American Eagles make good choices. So does gold coin jewelry or stamp albums and accessories. Gift certificates is another avenue that can easily be arranged with the shop owner.

Don Medcalf (Hawaiian Islands Stamp & Coin) says that Hawaii lunch tokens, transportation tokens or commemorative medals are very reasonable considering how old they are. Proof sets from the sixties and seventies remain inexpensive, large cents that are over a hundred years old are very affordable, and broken bank notes from the 1860's or earlier are notably historical and colorful.

Craig Watanabe (Captain Cook Coin Co. of Honolulu) prescribes slabbed MS-63/MS-64 dollars, walking liberty halves and mercury dimes because they are a bargain at this time.

Another idea but with a step up in cost is an uncirculated obsolete set with an Indian Head cent, buffalo nickel, mercury dime, standing liberty quarter, walking liberty half and a Morgan dollar. Craig also cited an uncirculated Jefferson war nickel set or any of the early proof sets.

Many thanks to the dealers for their time and expertise which they have always been so gracious in sharing. So with this opportunity, here's wishing all of you a festive and safe holiday season!

Aloha! Pau.

1997 Elaisberg Auction



By Francis Loo, H.M.S.C.



Louis E. Elaisberg, Sr., a financier, began collecting coins about 1925. In 1942, he purchased a major collection which was formed in the 1880's and continued until 1906. This collection included many coins obtained directly from the various U.S. mints. In 1950, Mr. Elaisberg completed his collection consisting of every known date and mintmark of all regular U.S. coins. This was the first time anyone had ever done this. AND, the collection included coins of the finest quality that was reasonably available. Imagine, how could you get better coins other than directly from the originating mints? Due to its inclusion of several unique coins which have been sold to different buyers, and the over-all high quality, the formation of another similar collection is extremely unlikely. The three auctions in which this collection was sold resulted in total proceeds of \$43.9 million.

The first auction, conducted in October 1982, consisted of U.S. gold coins and realized \$11.4 million. The second auction, held in May, 1996, selling U.S. patterns, copper, nickel and silver coins up to dimes and territorial gold, realized \$11.6 million. The third and final auction was held in April, 1997 and included the remaining silver coins consisting of twenty

Elaisberg Auction Continued on page 4



Elaisberg Auction



Continued from page 3

cent pieces, quarters, halves, silver and trade dollars, and a relatively small but delightful currency collection.

The currency portion of the fabulous Elaisberg collection got my attention. With my usual weak reasoning, I had hoped that the emphasis would be on the super coins and that I would be able to obtain a few nice currency items from a famous collection for reasonable amounts. This never happened. To help you to understand the bidding atmosphere at this auction, you should be aware of the three levels of purchases at this auction. At this April 1997 auction, purchases were made at : 1) high prices, 2) unreasonable prices, and 3) ridiculous prices. To illustrate what is meant by these three different auction purchase levels, the following examples are given:

Suppose a coin (or currency item) is graded as AU-58 and has a catalog retail value of \$100,

1) a high price purchase level means that the item would sell for between \$110 to \$199.

2) an unreasonable price purchase level means that the item would sell for between \$200 to \$400.

3) a ridiculous price purchase level means that the item would sell for \$401 and higher! (Remember, our example is about a \$100 retail item).

Probably 50-60% of the items sold for high prices, 20-30% at unreasonable prices and 20-25% sold for ridiculous prices. However, almost every buyer seemed happy with their purchases and wished that they could have afforded more! Most of my purchases were at only high to unreasonable levels, although I probably bought a few items at ridiculous levels. The auction fever was quite contagious.

The greater majority of the items were sold to dealers who I could recognize from past mainland auctions and shows. Only 2 or 3 dealers who attend our November HSNA show were there. The many dealers who attended the currency portion of the auction caused me great disappointment and additional costs. Soon as I saw their presence, I knew that my bidding

would be like a sling-shot against their tanks. One lot, which I got, surprised me because I only had to pay full retail for it. The 12 other currency lots I got were at the high, unreasonable and ridiculous levels as discussed, earlier. But, please remember that I got up to those levels because other bidding dealers were raising the bids. However, to give you a better understanding of why bidding on Elaisberg items only appear to be high, you need to be aware that many of the coins and currency were not available for half a century or longer. And nearly every item had original aesthetic appeal, besides being in the highest known grade or amongst the finest known. Retail printed prices are usually for items of average quality. The Elaisberg items were mostly superior in quality and merited superior prices.

One of the currency lots I had obtained was a group of four (4) 1896 \$5 "Educational" silver certificate notes in numeric sequence reconstructed into a whole sheet using paper tape. It was graded Average net EF and had minor signs of handling. This item was bought at high UNC levels. But this was the first time I had ever seen any consecutive \$5 "Educational" and here was a group of four (!) consecutive. There is no "retail" for a sheet of \$5 "Educational" because such an item has not been on the market recently, nor expected to be. How do you know how much to pay? Simple. What is your threshold for financial pain? As mentioned earlier, nearly all of the currency lots were sold to dealers, with four prominent dealers buying approximately 60-70% of the lots.

In addition to 13 currency lots, I bought 14 coin lots, which included a proof 1914 Barber half, an UNC 1921-D half, a 1797 dollar with small letters reverse and and 1800 AMERCAI dollar within the Condition Census. Regardless of the acquisitions, the more valuable aspect of my attendance at the 1997 Elaisberg Auction was the education acquired by being able to personally inspect nearly all the coins listed in the Redbook from the 1876-CC twenty cents piece to the 1804 dollar and 1885 trade dollar. During four days in New York City, I probably handled coins which had sold for over \$15 million. Although the coins drew the higher

Elaisberg Auction Continued on page 5



Elaisberg Auction

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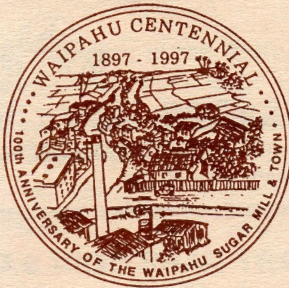
prices, the currency portion had the better values for beauty and relative rarity. The coin portion of the auction was thrilling, but I had the most fun in the currency part.

The one way trip from Honolulu to New York City took a total of 22 hours in elapsed time, including four hours to get from Kennedy airport to the auction hotel during the traumatic weekday afternoon traffic. If you want to talk about this Elaisberg Auction, see me at a Honolulu Coin Club meeting.

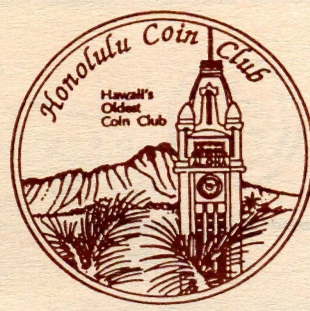
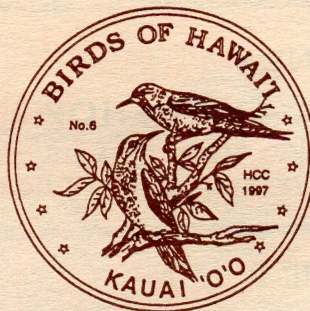
Attention All Club Members:

As of July 9, 1997, the Honolulu Coin Club has returned to the Susannah Wesley Community Center for our regular meetings held every 2nd & 4th Wednesdays of each month at 7:30 p.m. Visitors are always welcome. For those with vehicle, who will attend our meetings, please park at the Mauka side of the new parking lot.

The 1997 HSNA Medal



The Hawaii State Numismatic Association is featuring the first of a series on Hawaiian transportation and the Waipahu Centennial, the 100th Anniversary of Waipahu Sugar Mill and town. This medal will be made in 39mm in size on Silver and Bronze and sold for \$20.00 to club members and \$25.00 to non club members. Medals will be sold at the HSNA Show at the Queen Kapiolani Hotel on November 6-9 1997.



Birds of Hawaii No. 6 The Kauai 'O'O

The Birds of Hawaii medal will be sold at the HSNA Show.

The medal will be sold in pairs of Silver and bronze at \$25.00 per set.

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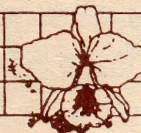
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